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METROPOLITAN TRANSIT AUTHORITY

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FOURTEENTH ANNUAL REPORT

of the

BOARD OF TRUSTEES

of the

METROPOLITAN TRANSIT AUTHORITY

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FOREWORD FROM THE BOARD OF TRUSTEES

It must be made clear at the outset that transportation is NOT a problem peculiar to Boston and the communities it serves.

It is a problem plaguing New York, Chicago, San Francisco and virtually all the major municipal centers of the United States.

Transportation -- modern, mass transportation -- is a headache in London; it bedevils experts in the field in Paris, Rome and elsewhere on the Continent. It can truly be characterized as a world-wide dilemma, constantly baffling those who deal in mass movement of people and no glib, all-inclusive solution to the problem is to be found readily in studies or on charts.

Why does the problem of mass transportation in this area seem to carry with it a special sting, a unique way of inflicting pain? It does so because the subsidy is DIRECTLY reflected in the taxes the people must pay.

Yet it will be ever thus as long as the Authority operates under the ground rules spelled out for it and embodied in the Acts of 1947, Chapter 544.

Although the subsidy certainly must be explained with equal emphasis, it should not bear the burden of requiring a daily defense.

We need not look any farther than the abandoned rail lines which are beginning to encompass the core city. The operators of these rail lines periodically secure governmental approval to abandon passenger service because -- AND ONLY BECAUSE -- of the great losses incurred by providing this very service.

Let us look at a single comparative transportation cost immediately within the M. T. A. framework. Today it costs a commuter, riding on a privately owned railroad, 52 cents to ride from Hyde Park into Boston proper -- and this commuter does not receive the benefit of feeder service, which is an identifying M. T. A. trademark.

The same passenger travelling on a parallel M. T. A. line makes the trip from his home -- not from a railroad depot -- to his place of business for 20 cents. His youngster can make the same trip for a nickel.

Tomes could be written about the M. T. A., and perhaps this has already been accomplished over the years, but this question must arise:

Why are the railroads, which are carrying people for double and triple the fare charged the M. T. A. rider, and for shorter distances, pleading for permission to get out of the passenger business? Surely the answer to the M. T. A. problem cannot be found in the fares alone.

The Board during the year brought about:

An increase in parking revenue; the elimination of "OWL" service; an adjustment in runs, with a projected savings of a substantial amount; changes in fare collection, eliminating man-attended "S" type fare boxes; reduction in the number of covermen; reduction in the number of personnel; initiation of a move to start construction of a new M. T. A. building, a project urged from time to time by the State Auditor, and the construction of needed new bus storage and service facilities.

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Metropolitan Transit Authority

BOARD OF TRUSTEES

PARK SQUARE BUILDING BOSTON 16, MASSACHUSETTS

FOURTEENTH ANNUAL REPORT
of the
BOARD OF TRUSTEES
of the
METROPOLITAN TRANSIT AUTHORITY

To His Excellency the Governor,
to the General Court, and to the
Trustees of the Boston Metropolitan District:

In accordance with the requirements of Chapter 544 of the Acts of 1947, as amended, the Trustees of the Metropolitan Transit Authority herewith file the fourteenth annual report of the Authority, which covers the results of operations for the calendar year 1960.

SUMMARY OF REPORT

Total income of the Authority in 1960 was $36,034,700.84. This is a decrease of $458,462.47 from the total income in 1959, or a 1.26% decrease. Total cost of service in 1960 was $57,361,746.43. This is an increase of $2,241,242.47, or a 4.07% increase. Other profit and loss credits amounted to $240,000.00. Under statutory formula, the resulting balance of $21,087,045.59 which represents the excess of cost of service over income will be assessed on the fourteen cities and towns constituting the Metropolitan Transit Authority.

OPERATING EXPENSES

During the year 1960, operating expenses, which are the expenses incurred in the actual operation of the railway, were $49,703,853.55, as compared with $47,669,730.68 in 1959. This is an increase of $2,034,122.87. The following table compares operating expenses in 1960 with those of 1959:

	Year 1960	Year 1959	Increase
Wages	$36,671,068.87	$35,004,281.47	$1,666,787.40
Materials, Services and other items	4,724,813.31	4,429,106.93	295,706.38
Injuries and Damages	1,706,364.36	1,914,104.37	207,740.01 Cr.
Depreciation	1,200,000.00	1,200,000.00	-
Fuel	1,873,808.68	1,837,652.73	36,155.95
Power Interchange (Net)	125,748.16 Cr.	122,470.80 Cr.	3,277.36 Cr.
MTA Retirement Fund	2,184,501.22	2,076,313.01	108,188.21
Health and Welfare Insurance	1,469,045.27	1,330,742.97	138,302.30
Total Operating Expenses	$49,703,853.55	$47,669,730.68	$2,034,122.87

The preceding table indicates that three categories of cost - Wages, M. T. A. Retirement Fund and Health and Welfare Insurance - represented 94% of the increase shown, most of which resulted from awards made by virtue of arbitration proceedings in accordance with statutory and contract provisions.

FIXED CHARGES

Under the law of the Commonwealth, as presently constituted, certain so-called fixed charges must be included as a part of the cost of service. These are composed of taxes, interest on bonds, payments on funded debt and Cambridge subway rental. The following table compares these items for 1960 and 1959:

	YEAR ENDED DECEMBER 31	
	1960	1959
Taxes	$1,134,814.40	$1,011,425.86
Interest on Bonds	3,748,556.47	3,713,306.46
Payment on Funded Debt - B.M.D.	2,372,687.79	2,327,742.62
Cambridge Subway Rental	383,175.02	384,350.00
Miscellaneous Items	18,659.20	13,948.34
TOTAL	$7,657,892.88	$7,450,773.28

REVENUE PASSENGERS

The increased use of the automobile is again reflected in the declining passenger load carried by the Authority. Nineteen hundred and sixty saw the Authority carry 199,598,057 revenue passengers, as compared with 202,101,095 in 1959. This is a drop of 1.24 %. The total revenue from transportation service in 1960 amounted to $34,887,132.21, as compared with $35,311,007.57 in 1959. This is a reduction of $423,875.36, or 1.20%.

NEW OFFICE BUILDING

Although plans are tentative and are to undergo further detailed study, the Metropolitan Transit Authority during the year 1960 took a giant step toward moving into a building of its own.

Tenants in the Park Square Building at 31 St. James Avenue, Boston, since 1923, the Authority hired the firm of Desmond & Lord, Architects and Engineers, for the purpose of making plans for a structure designed for exclusive MTA use. For some time now, the State Auditor has been recommending such a move.

In accordance with their contract, Desmond & Lord submitted preliminary site plans for an office building to be located in one of three sites: One in the Charlestown Yard; one in the parking area on Alford Street, adjacent to the Sullivan Square Terminal; and one at the Arborway. After considerable study, the Authority chose Arborway as its proposed location for the new office building. The new headquarters of the Authority, under the proposed plan, is to be 82' wide and 368' long, and is to be located facing the Arborway at approximately the location of the existing car-washing building.

It will be necessary to make changes in some of the existing facilities in order to provide sufficient land for the office building and an adequate parking area. The new building will accommodate the offices of the Trustees, the General Manager, the General Counsel, the General Attorney, Treasurer-Comptroller, Purchasing Department, Operations Manager and Transportation Department, the Timetable Department, Employment Office and Clinic, the Transit Mutual Insurance Company, and the M. T. A. Credit Union.

The offices of the Rolling Stock & Shops and the Engineering Departments will remain in their present locations.

The new office building of the Authority will be a two-storied structure.

There will be a basement under a part of the building in which will be located telephone and miscellaneous equipment; heating and miscellaneous mechanical equipment; a building maintenance shop; a general storage room in which certain inactive files of the

various departments may be kept; a room for the multigraph and general printing equipment, and also a room for the photographers connected with the Claim Department.

In moving into a building of its own, the M. T. A. will realize a substantial rental savings, not now available while the Authority conducts its business from space in the Park Square Building. At the same time, other savings must result from a more efficient consolidation.

NEW GENERAL MANAGER

Thomas J. McLernon was appointed General Manager of the Metropolitan Transit Authority on May 20, 1960. Four days later, the M. T. A. Advisory Board unanimously confirmed the appointment.

Shortly thereafter, Mr. McLernon resigned as General Manager of the New York Transit Authority, a post he held for a number of years, and on July 1, he officially took over his duties as General Manager of the M. T. A.

Married and the father of five children, the 55-year-old General Manager took up residence in Milton during the year.

He was employed by the Lehigh Valley Railroad for more than thirty years during which time he rose through the ranks, variously holding such positions as messenger, clerk, foreman, yardmaster, freight agent and superintendent, stations and transfers.

From 1941-1943, during the critical war years, he was responsible for setting up passenger troop movement. He left the

Lehigh Valley Railroad to become General Manager of the New York Transit Authority in 1955.

Mr. McLernon has had a transportation story to tell. He has told it here forcefully and with conviction. He got his message across. Among observers, there was no mistaking that message. Mr. McLernon was determined to get the MTA off-center. During his 1960 tenure, he succeeded in doing precisely that.

PARKING AREAS

The use of fringe parking areas near rapid transit stations as an inducement to motorists to "park and ride" is universally conceded by city planners and mass transportation officials as an effective method of attracting riders to utilize existing rapid transit services. The benefit to the Authority is obvious; there is an additional benefit to the core city of the metropolitan area by the reduction of autos entering the traffic-congested central city.

The Metropolitan Transit Authority has made increasing efforts over the past years to take all possible advantage of this concept. Its success is indicated by the following table:

Year	No. of Cars Using Lots	Rental Income
1955	515,346	$ 62,433.95
1956	563,027	69,747.22
1957	654,498	81,818.79
1958	711,936	93,103.05
1959	826,965	121,837.57
1960	909,993	159,236.11

The year 1960 marked the first full calendar year of our Highland Branch Parking Program. The popularity of our parking lots may be seen by the following table:

HIGHLAND BRANCH PARKING 1960

Stations	Cars Parked
Riverside	163,415
Woodland	84,973
Waban	9,857
Eliot	12,419
Chestnut Hill	11,049
Beaconsfield	608
Brookline Hills	426
Brookline Village	13,640
Longwood	1,220

Parking fee per day is set at 35 cents.

EQUIPMENT

The Authority owns the following revenue equipment:

601 Buses (4 in storage)

367 Trackless Trolleys

180 Main Line Rapid Transit Cars

135 Cambridge-Dorchester Cars

88 East Boston Tunnel Cars

344 P.C.C. Cars

1,715 Total

Buses

The bus fleet is comprised of 174 gasoline-driven buses and 427 diesel-driven buses. Fifty new buses designed by the Committee of Bus Designers of the American Transit Association were delivered in June, 1960. They replaced 48 overage gasoline buses which were sold on receipt of new buses.

Trackless Trolleys

The trackless trolley fleet at the beginning of 1960 was comprised of 371 units and was reduced during the year 1960 by four vehicles, which were obsolete and sold for scrap. The present fleet is now 367.

Cambridge-Dorchester Equipment

The Authority is operating overage equipment on this line. Twenty of the cars are forty-nine years old; twenty are forty-eight years old; thirty-five are forty-one years old and sixty are thirty-three years old.

This equipment requires extensive and expensive maintenance in order to keep it in good operating condition.

A bill filed in December, 1960, by the trustees is pending before the Legislature which would authorize a bond issue for the purpose of acquiring new, modern equipment for use on this line.

P.C.C. Cars

Seventeen double-end P.C.C. cars which were purchased from Dallas, Texas, were modified for use in M. T. A. service. Modification consisted of installation of automatic couplers, control and wiring changes, change of seating and stanchion arrangements, painting and installation of additional heating equipment. Including modification cost, purchase price and freight, these cars had a total cost to the M. T. A. of approximately $12,600.00 each with a fifteen-year useful life. In view of the present approximate cost of a P.C.C. car to be $80,000.00 with a thirty-year life, there was a considerable saving effected. This project was started in 1959 and completed in 1960.

Early in 1960, the Department of Public Utilities passed a regulation requiring a powerful beam-type headlight and air horn on P.C.C. cars operating over the Highland Branch. During the year, one hundred cars were so equipped.

Riding conditions on the Highland Branch were improved during 1960 by the addition of four shock absorbers to all P.C.C. cars. There are now eight shock absorbers on each car. Also, the all-steel spring originally used in the trucks of the Highland Branch cars are gradually being replaced, as the trucks are shopped, by the latest type spring which is a combination rubber and steel arrangement that has far superior riding qualities.

SAFETY

The Metropolitan Transit Authority has always been conscious of its responsibility to provide the public with safe operation. As the Boston Elevated Railway Company, it was the recipient of six national awards for safe operation and, as the M. T. A., continuing efforts have been made to maintain and improve the Authority's safety record.

Again in 1960, the Authority compiled an enviable safety record.

The following table reveals the effectiveness of the Authority's safety program in 1960 when its 1,715 vehicles, travelling 39,394,031 miles carried 199,598,057 passengers:

Total Miles	39,394,031
Total Accidents	8,147
Collision Accidents	2,880
Total Accidents per 100,000 Passengers	4.08
Total Accidents per 100,000 Total Miles	20.68
% of Collision Accidents to Total Accidents	35.35
Collision Accidents per 100,000 Total Miles	7.31
Collision Accidents per 100,000 Surface Miles	9.85

STORMS

Two snowstorms in the year 1960, both of Gargantuan proportions, proved once again that the Metropolitan Transit

Authority is indeed the transportation life-line of the community.

The first storm, the worst in the history of the Boston Weather Bureau, began on Thursday, March 3, and before it came to an end on Saturday, March 5, a record-breaking 19.8 inches of snow had been dumped on Boston and its environs.

Transportation paralysis set in, nothing except the vehicles of the M. T. A. moved and this movement was restricted, not by the storm but by seas of abandoned vehicles whose drivers gave up and left their cars blocking roads and arteries around the city.

Had it not been for the M. T. A. the city, in the editorial opinion of one Boston newspaper, would have been a "ghost" town. The M. T. A. and the job it accomplished in a genuine emergency drew praise from virtually all quarters.

Again in December, on Monday the 12th "the worst blizzard" in the city's history struck and in effect what happened in March, transportation-wise, repeated itself. Transportation was reduced to a trickle, yet the M. T. A. managed to keep a substantial number of its vehicles on the move. Working under the worst possible conditions, the M. T. A. brought people to their businesses, their schools and places of worship.

The Authority's justifiable pride in its own job was recognized by the entire community and, specifically, by the Record-American Sunday Advertiser.

On December 19, James A. King, Retail Advertising Manager of the Record-American, sent a letter to all its advertisers. We are proud to quote from it:

"Sometimes it takes a blizzard or a near disaster for many of us to appreciate a basic blessing.

"On Monday, December 12, as the result of a record December snow storm and extreme cold, we witnessed a complete collapse of individual and mass transportation facilities in Greater Boston with the single exception of the much-maligned and often-ridiculed M. T. A.

"The great majority of people who got to Boston on Monday morning and got out of Boston on Monday afternoon did so via the M. T. A. That downtown Boston stores were able to operate at all was principally due to the M. T. A.'s ability to keep moving.

"Shoppers' World, Chestnut Hill, North Shore, Saugus and similar shopping center operations completely dependent upon the automobile and bus were unable to operate at all.

"We have been saying for a long time that the bread-and-butter, the day-in-and-day-out customer of the downtown merchant is the customer who can and does use the facilities of the M. T. A."

Ironically, the snowbound residents of the M. T. A. district flocked to the M. T. A. and no longer was there any talk of deficits, no longer any muttering about standees or rush hour traffic. The M. T. A. now was a shining, fast-moving and dependable servant.

The M. T. A. observed: Millions of words, expended over the years in harangue, debate and discussion, on the subject of mass transportation have failed to bring home what it required a two-day snowfall to pinpoint. It is this:

A thriving, heavily populated metropolitan area cannot exist without an efficient transportation system.

The man behind the wheel of his automobile, at long last, must realize that his vehicle moves in luxury. The M. T. A. moves him when all else, including his automobile, fails.

More significantly, it puts a reverse twist on the clamorous question: "What do we do about mass transportation?" The question now reads: "What do we do without it?"

SERVICE CHANGES AND IMPROVEMENTS

During June, the Authority was delivered 50 new G. M. buses; 25 were assigned to the north side and the remaining 25 to the south side. They replaced overage vehicles on several of our routes.

On June 25, 1960, coincident with the summer timetables, night "Owl" service was discontinued.

On October 3, the "Tokens Only" system for entrance to rapid transit stations was inaugurated at 17 M. T. A. stations. The "Tokens Only" system later was applied to many other stations, resulting in a discontinuance of the antiquated open-type fare boxes and insuring the Authority of full revenue. The public readily adjusted to this new system of fare collection.

Effective December 10, the Authority announced a new schedule with a reduction of about four percent of service. The reduction in service involved the discontinuance of service on certain routes and partial discontinuance of service on other routes. Other changes, relatively minor in nature, such as headway changes, were instituted in order to effect a more economic operation. The changes in service are expected to result in substantial savings.

Also, on December 10, service was increased on the Highland Branch to better serve passengers originating from

Reservoir Station and stations east thereof.

On December 12, 1960, the Authority inaugurated modified express service on the Forest Hills to Everett line.

Later dates were set for inauguration of the same service on all other rapid transit lines.

ABOUT THE HIGHLAND BRANCH

Although it is a happy statistical fact that the Authority's new Highland Branch is carrying approximately 30,000 daily revenue passengers over the Branch between Park Street and Newton on the Newton-Weston line, here is an added fillip attesting to the line's worth.

It comes from Ray Hofford, Executive Vice President of the Greater Boston Real Estate Board and the latter's remarks are addressed to General Manager Thomas J. McLernon. Hofford says:

> "The general consensus of opinion is that the Highland Branch has stabilized properties and even increased values in some cases which are located at convenient walking distances from stations.
>
> "Actual value increases are hard to track down to specific houses, however, and some people abutting tracks have moved because of the noise caused by more frequent train schedules.
>
> "People who bought these properties expected some noise, however, and were sold because of their handy nearness to the stations.
>
> "In the Wellesley area many people were enthusiastic about the convenience of the Highland Branch and are not now too worried about the possible cessation of the present Boston & Albany service with its 3:00 a. m. and 3:00 p. m. trains.
>
> "Two-car families in particular are enthusiastic about the Branch because the breadwinner of the family can drive to a station and park.

"One complaint of Newton riders is that they pay taxes toward the deficit and 'strap hang' while riders from fringe towns have seats and do not contribute any tax payments toward the deficit.

(Note: A comprehensive and impartial survey conducted by the Greater Boston Economic Study Committee brings forth these significant facts concerning the Highland Branch operation:

(a) Roughly 40 per cent of all commuters who board at stations west of Reservoir live in municipalities outside the present M. T. A. district.

(b) In addition to providing a new commuter service, the Highland Branch frees the equivalent of one traffic lane in the highway system during the peak hours, and also frees 1,300 downtown parking spaces.

(c) The Highland Branch ridership is ten times greater than that of the railroad commuter service it replaced.)

"In Sudbury and adjacent areas there has been a marked increase recently of would-be purchasers of property in this area by people from Brighton, Cambridge, and other parts of Metropolitan Boston who now feel that they can drive to Route 128 or Riverside and park and then take the Highland line to Boston.

"This feeling that transportation to this area does not now require a drive all the way to Boston to work has resulted in a group of prospects from a wider area who are interested in owning homes in this area. The final sale depends on all factors, but improved transportation has undoubtedly led to some extra sales.

"Some realtors feel extension of M. T. A. service farther out would create a real estate boom in their areas. However, they doubt that with the high cost of new schools and increasing tax rates that the voters in towns affected would be willing to pay for their cake although they might like to eat it."

LABOR RELATIONS

Except for its dealings with one (1) single union, the largest on the property of the Authority, the Board of Trustees feels

that its dealings with labor groups on the system have been marked with amicability, progress and stability.

It was toward achieving this quality of relations between management and labor that the Board sought, whenever new contract negotiations opened up, to maintain labor peace and set its sights on contracts of three years' duration.

During the year covering this report, there were twenty-seven (27) separate and distinct unions within the Metropolitan Transit Authority.

It is of extreme importance to note, whenever one seeks to fairly analyze the basic relations between management and the men, this telling factor:

Since 1947, when the M. T. A. became publicly owned, the Authority has always been able to negotiate -- mutually fruitful give-and-take across a conference table -- with twenty-six (26) of these twenty-seven (27) unions.

The one remaining union, again the largest union on the system, has, since 1947, requested arbitration on six occasions.

It must further be noted that arbitration proceedings, often of a protracted, painstaking nature, are costly to both management and labor.

Additionally, these proceedings do consume the services of talented manpower employed by the Authority, services that might better be directed elsewhere in the important, day-to-day operation of the transportation system.

Conversely, the Authority successfully negotiated, during

the 1960 period, contract agreements with seventeen (17) unions on the property and these included the second and third largest labor groups on the system. As the year drew to a close, it appeared that groundwork had been laid for successful negotiations with several other unions.

To the economy-minded, to those who believe that the M. T. A. working force must be pared to the minimum, consistent with safety and economy of operation, these statistics will be meaningful:

At the close of business on December 31, 1959, there were 6,377 persons employed by the Authority. On the corresponding date in 1960, there were 6,227 persons on the payroll, or 150 fewer than one year earlier.

These statistics must not be construed to mean that the Authority has slashed into its working force, seeking to deplete its payroll numbers only for the sake of pointing to a savings in this area.

The Authority accomplished this reduction in its working force without resorting to a single layoff. Also, during the year, the Authority promoted 202 persons from within the system.

Two categories of employment on the M. T. A., wages and working conditions, which are perhaps the two most important considerations to working men and women, are unquestionably close to the best, if not the best, in both the area and the industry.

HIGHLAND BRANCH ALTERATIONS

Alterations to the Highland Branch to provide increased power, signals, car storage and service facilities were practically completed in 1960. The work was started late in June, 1960, and

completed January 12, 1961.

The expanded car storage and service installations at Riverside Yard are now adequate for all of the cars necessary to start the morning service from this location, thus effecting savings in manpower and non-revenue mileage costs substantially in excess of the fixed charge costs attributable to the new facilities.

The augmented facilities provide adequate capacity for the operation of three-car trains for three-minute headway intervals for the entire length of the line in rush hours. This is expected to provide adequate service for the ultimate in passenger traffic.

It is planned to operate three-car trains at four-minute intervals as soon as a sufficient number of cars are available.

STUDY REGARDING POWER FACILITIES

A complete study regarding the M. T. A. power generation, transmission and distribution facilities, started in 1959 was completed and reports by outside engineers and engineers of the Authority were submitted to the General Manager in March, 1960.

The Engineering Department recommended that the Authority negotiate with the Boston Edison Company with regard to a proposal from Edison to purchase the M. T. A. power plants and sell power to the M. T. A. as required at a reasonable price for power. This would obviate a major capital outlay by the Authority for the

necessary rehabilitation of the power plants if the Authority is to continue to generate its power.

NEW BUS STORAGE AND SERVICE FACILITIES

Salem Street - The construction of a new bus service building at the Salem Street Yard, including the installation of an outdoor bus heating system, yard lighting, paving, drainage, fencing and the miscellaneous bus servicing equipment, was completed in December, 1960.

Lotus Place Carhouse and Yard - The construction of new bus installation and service facilities were completed in September, 1960.

TRACK AND OVERHEAD LINE CHANGES

Extensive track and line equipment was installed and rearranged in Cleveland Circle as a result of traffic island changes.

Necessary changes in track and line equipment in Commonwealth Avenue south of Warren Street were made in connection with our track renewal program. Track was replaced in South Street, Jamaica Plain, Hall Street to St. Mark's Street, South Huntington Avenue, Heath Street to Centre Street and in Huntington Avenue, Parker Hill Avenue to South Huntington Avenue.

All the work performed in the Cleveland Circle area and the Warren Street area was done as a result of road changes made by the City of Boston Public Works Department.

Rail and paving were removed and reinstalled in Tremont Street and Northampton Street, Roxbury, Washington Street, Newton, and certain special work in Prendergast Avenue at Reservoir Carhouse Yard in connection with our track program.

Line equipment was removed as a result of abandonment of trackless trolley service in Malden, Medford and Somerville.

Trackless trolley line equipment was rearranged at Chelsea Square, Chelsea, as a result of traffic and parking facility changes.

Line equipment changes were made necessary as a result of federal and state highway projects for which the Authority was reimbursed, notably in Main Street, Medford, Charles Street, Malden, Massachusetts Avenue, Cambridge, Meridian Street, East Boston, Salem Street, Medford, Eliot Circle, Revere, and Ocean Avenue, Revere Street, Revere.

MISCELLANEOUS ALTERATIONS, REPAIRS AND IMPROVEMENTS

The following work is typical of the many miscellaneous work projects carried on by the Engineering Department.

Existing parking facilities in the rear of Everett Terminal were extended.

New switch and lock movements were installed in the Boylston Street Subway, east of Kenmore Station.

The construction of a new station waiting room at North Station was completed to replace the original facility which was demolished by an explosion.

New improved pit lighting was installed at Reservoir Carhouse.

New 5,000 gallon gasoline tank installed in Somerville Garage Yard.

The concrete platform in the Boston College Terminal was replaced.

A new roof was installed on the canopies on North Station West.

The steam turbine on #4 turbo generator circulating pump was replaced at South Boston Power Station.

Superheater tubes were replaced in #4 boiler at Lincoln Power Station.

MODERNIZATION PROGRAM

The modernization of signals in the Cambridge-Dorchester tunnel which has been carried on for the past four years was completed during February, 1960.

A program of painting of stations and elevated structures was continued during the past year and, as a result, has met with much favorable comment, both by the public and in the press.

The Authority continued to improve the lighting of its subway stations during the year. This was accomplished by the use of larger and more powerful lamps. More modern fixtures were installed. Old conduits were torn out and they were replaced with new ones. There was considerable rewiring involved in this project.

The work of installation of a new escalator at Park Street Under was completed in June, 1960.

LEGISLATION

During the 1960 Legislative Session, the following Bills, all designed to aid the Metropolitan Transit Authority, and filed by the Trustees, were considered by the Legislature:

House 1017 - Authorizing an increase in children's fares charged by the M. T. A. from the present five cents to not more than one-half the regular fare.

Senate 294 - Providing for the issuance of bonds for the acquisition of approximately 50 new rapid transit cars (to replace overage equipment on the Cambridge-Dorchester line).

Senate 297 - Providing for the investment of funds received by the Boston Metropolitan District prior to the application of such funds to pay debt of District.

House 1016 - Relative to the number of guards on rapid transit trains operated by the Authority.

Senate 295 - Extending the time within which the Metropolitan District Commission is authorized to convey a certain parcel of land located in Cambridge, Arlington and Belmont to the Metropolitan Transit Authority (for terminal and yard facilities).

Senate 296 - Providing that political subdivisions of the Commonwealth be authorized and directed to enter into contracts with the Authority to pay the Authority for work required in changing its tracks and other facilities in connection with projects on public ways.

Senate 418 - Exempting the Authority from taxes on fuels and special fuels used for propelling its vehicles.

The legislative Bills involving a bond issue for the acquisition of approximately 50 new rapid transit cars, and relative to the number of guards on rapid transit trains, were referred to the next annual session.

The legislative Bill relative to the investment of funds by the Boston Metropolitan District became Chapter 576, of the Acts of 1960. The Bill relative to extending the time (to 1971) for the conveyance to the M. T. A. of the terminal lands in Cambridge, Arlington and Belmont became Chapter 441 of the Acts of 1960.

The legislative Bills exempting the Authority from the taxes on fuels and special fuels used for propelling its vehicles, and for authorizing reimbursement contracts with the Authority by political subdivisions of the Commonwealth for work required in changing its tracks and other facilities, were both rejected by the Senate.

The legislative Bill relative to increasing children's fares by the M. T. A. was included in a study by an unpaid special commission authorized by Chapter 119 of the Resolves of 1960.

ADVERTISING

The Authority, aware of lucrative dividends that can be accrued from transit advertising and further aware that this lucrative field can be tapped at its maximum potential if its advertising plant is modern and eye-catching, opened a program of modernization in this area during the year.

Three of its major stations, Park Street, South Station, and Arlington were given a face-lifting advertising-wise.

New aluminum panels, many of them out of reach of vandals were installed and these quickly framed attractive advertising messages.

At Arlington Street Station, for example, a decorative pastel finish was applied to aluminum siding, separating the inbound and outbound rails and on this siding were installed portrait-type advertising panels.

The program was evolved to arrest the decline of the general transit advertising picture throughout the M. T. A. plant.

Further, where these marked improvements were made, they served not only to encourage business people to use the M. T. A. for an advertising showcase, but additionally tended to create a more cheerful atmosphere for the riding public.

Behind this program, and completely apart from the inherent advertising value involved, was an awareness on the part of the Authority that revenue can be found from sources other than the fare box.

FINANCIAL STATEMENTS

The balance sheet of the Metropolitan Transit Authority at December 31, 1960, related statement of income and cost of the service, and detail of operating expenses for the year ended December 31, 1960, together with notes relating to these financial statements are appended to this report.

Respectfully submitted,

BOARD OF TRUSTEES
METROPOLITAN TRANSIT AUTHORITY

Anthony D. Pompeo, Chairman
Anthony D. Pompeo

William V. Ward
William V. Ward

John J. Graham
John J. Graham

March 10, 1961

FINANCIAL STATEMENTS

METROPOLITAN TRANSIT AUTHORITY

BALANCE SHEET-DECEMBER 31, 1960

ASSETS

Fixed assets (Note A):		
Road and equipment		$119,825,211.28
Miscellaneous physical property		156,223.23
		119,981,434.51
Less - Reserve for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned (Note B)		53,293,618.32
		66,687,816.19
Subways, tunnels and other facilities:		
Acquired from the City of Boston as of August 3, 1949 in accordance with Chapter 544 of the Acts of 1947 as amended by Chapter 572 of the Acts of 1949		40,121,727.13
Constructed by Metropolitan Transit Authority since August 2, 1949		29,831,508.42
		69,953,235.55
Less - Amortization of subways, tunnels and other facilities reimbursed to the Authority (Paragraph (1) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section (7) of Chapter 649 of the Acts of 1949 as amended), less retirements (Note C)		8,358,797.24
		61,594,438.31
Total fixed assets, less reserve and amortization		128,282,254.50
Current assets:		
Cash in banks and on hand (incl. $307,951.81 deposited for payrolls)		3,176,571.27
United States Treasury Bills		5,685,751.68
Special deposits		460,179.71
Commonwealth of Massachusetts - Amounts receivable under Chapter 544 of the Acts of 1947 as amended:		
Assessable deficit - per accompanying statement of income and the cost of the service	$21,087,045.59	
Less - Amount advanced by Commonwealth of Massachusetts in accordance with Section 13A of Chapter 544 of the Acts of 1947 inserted in said Chapter 544 by Chapter 409 of the Acts of 1954 (Note D)	17,500,000.00	3,587,045
Miscellaneous accounts and rents receivable		798,232.[illegible]
Material and supplies, at cost less reserve		2,203,648.03
Other current assets		64,496.95
Total current assets		15,975,925.42
Other assets:		
Special deposits available only for:		
Extension of rapid transit facilities in the City of Boston, the Town of Brookline and the City of Newton as provided for by Chapter 450 of the Acts of 1957 and to the extent of $2,530.09 for studies and estimates of cost for alterations and extensions of rapid transit facilities in connection with Prudential Development as provided for by Chapter 212 of the Acts of 1958, all as provided under Chapter 649 of the Acts of 1949 as amended		270,366.50
Alterations to rapid transit facilities as provided for under Chapter 544 of the Acts of 1947 as amended		290,958.31
Extension of rapid transit facilities as provided for by Chapter 692 of the Acts of 1945 as amended and to the extent of $94,883.81 for establishing off-street parking facilities, all as provided for under Chapter 544 of the Acts of 1947 as amended		260,079.96
Extension of East Boston rapid transit facilities to Revere and to the extent of $43,915.90 for studies, preliminary plans and estimates of cost for the extension of the Cambridge Subway, all as provided under Chapter 649 of the Acts of 1949 as amended and affected by Chapter 613 of the Acts of 1952		48,085.50
Purchase of revenue equipment as provided under Chapter 544 of the Acts of 1947 as amended		880.52
Mortgage note receivable		759.49
Total other assets		871,130.28
Deferred charges and unadjusted debits:		
Prepaid expenses		185,231.29
Unadjusted debits		364,641.55
Total deferred charges and unadjusted debits		549,872.84
TOTAL ASSETS		$145,679,183.04

(See accompanying notes to financial statements)

METROPOLITAN TRANSIT AUTHORITY

BALANCE SHEET-DECEMBER 31, 1960

LIABILITIES

Funded debt (all held by Boston Metropolitan District) - per accompanying statement (Note E):	
Bond of Metropolitan Transit Authority, dated August 3, 1949 under authority of Section 7A of Chapter 544 of the Acts of 1947 as amended (less $1,000,000. included in current liabilities below)	$58,918,371.89
Rapid transit bond of Metropolitan Transit Authority, dated August 3, 1949, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less $536,259.27 included in current liabilities below)	33,784,334.19
Bond of Metropolitan Transit Authority, dated November 25, 1949 under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less $102,000. included in current liabilities below)	6,426,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less $60,000. included in current liabilities below)	3,900,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less $13,333.33 included in current liabilities below)	853,333.34
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less $11,000. included in current liabilities below)	715,000.00
Bond of Metropolitan Transit Authority, dated January 15, 1952, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less $22,000. included in current liabilities below)	1,452,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1953, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less $15,000. included in current liabilities below)	1,005,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1953, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less $32,000. included in current liabilities below)	2,144,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1954, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less $10,000. included in current liabilities below)	680,000.00
Bond of Metropolitan Transit Authority, dated July 1, 1958, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less $55,000. included in current liabilities below)	3,960,000.00
Bond of Metropolitan Transit Authority, dated February 1, 1959, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less $69,666.67 included in current liabilities below)	5,085,666.67
Bond of Metropolitan Transit Authority, dated September 15, 1960, under authority of Section 8A (j) of Chapter 544 of the Acts of 1947 as amended (less $19,000. included in current liabilities below)	1,406,000.00
Serial bonds of Metropolitan Transit Authority issued under authority of Section 22 of Chapter 544 of the Acts of 1947 as amended (less $1,533,000. included in current liabilities below)	17,158,000.00
	137,487,706.09
Current liabilities:	
Funded debt installments payable within one year	3,478,259.27
Accounts and wages payable	2,795,234.92
Accrued interest and rents payable	720,412.40
Accrued Federal old age benefit tax	116,691.56
Unredeemed tickets and tokens	372,151.22
Employee withholdings and other liabilities	645,754.52
Total current liabilities	8,128,503.89
Deferred and unadjusted credits:	
Unamortized premium on funded debt	57,169.48
Unadjusted credits	5,803.58
Total deferred and unadjusted credits	62,973.06
Commitments: (Note F)	
TOTAL LIABILITIES	$145,679,183.04

(See accompanying notes to financial statements)

METROPOLITAN TRANSIT AUTHORITY

Statement of Funded Debt - December 31, 1960

(All held by the Boston Metropolitan District)

NOTE	ISSUE DATE	TERM	MATURITY DATE	RATE	PRINCIPAL AMOUNT
1	Dec. 1, 1948	15 Years	Dec. 1, 1963	1.75%	$435,000.00
2	Aug. 3, 1949	Fixed	Dec. 1, 2020	(see note)	59,918,371.89
3	Aug. 3, 1949	Fixed	Nov. 20, 2024	(see note)	34,320,593.46
4	Nov. 25, 1949	30 Years	Nov. 25, 1979	2.00%	6,528,000.00
5	Dec. 1, 1949	15 Years	Dec. 1, 1964	1.50%	106,000.00
6	Mar. 1, 1951	30 Years	Mar. 1, 1981	(see note)	866,666.67
7	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	3,960,000.00
8	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	726,000.00
9	Mar. 1, 1951	10 Years	Mar. 1, 1961	1.50%	107,000.00
10	Mar. 1, 1951	20 Years	Mar. 1, 1971	1.50%	921,000.00
11	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	2,670,000.00
12	Jan. 15, 1952	30 Years	Jan. 15, 1982	2.10%	1,474,000.00
13	Jan. 15, 1952	9 Years	Jan. 15, 1961	2.10%	66,000.00
14	Mar. 1, 1953	30 Years	Mar. 1, 1983	2.75%	1,020,000.00
15	Mar. 1, 1953	30 Years	Mar. 1, 1983	2.75%	2,176,000.00
16	Mar. 1, 1953	10 Years	Mar. 1, 1963	2.50%	168,000.00
17	Mar. 1, 1953	11 Years	Mar. 1, 1964	2.50%	60,000.00
18	Mar. 1, 1953	20 Years	Mar. 1, 1973	2.50%	801,000.00
19	Mar. 1, 1954	30 Years	Mar. 1, 1984	2.30%	690,000.00
20	Mar. 1, 1954	10 Years	Mar. 1, 1964	2.30%	40,000.00
21	Mar. 1, 1954	9 Years	Mar. 1, 1963	2.30%	51,000.00
22	Mar. 1, 1955	15 Years	Mar. 1, 1970	2.00%	154,000.00
23	Mar. 1, 1956	15 Years	Sept. 1, 1970	2.40%	1,300,000.00
24	Mar. 1, 1957	15 Years	Sept. 1, 1971	3.10%	1,529,000.00
25	Mar. 1, 1957	30 Years	Mar. 1, 1987	2.90%	3,442,000.00
26	Mar. 1, 1958	30 Years	Mar. 1, 1988	2.90%	3,668,000.00
27	July 1, 1958	30 Years	July 1, 1988	3.00%	4,015,000.00
28	July 1, 1958	15 Years	July 1, 1973	3.50%	1,170,000.00
29	Feb. 1, 1959	30 Years	Feb. 1, 1989	3.60%	5,155,333.34
30	Sept. 15, 1960	15 Years	Sept. 15, 1975	3.00%	1,227,000.00
31	Sept. 15, 1960	15 Years	Sept. 15, 1975	3.00%	663,000.00
32	Sept. 15, 1960	14 Years	Sept. 15, 1974	3.00%	113,000.00
33	Sept. 15, 1960	30 Years	Sept. 15, 1990	3.50%	1,425,000.00

TOTAL FUNDED DEBT - December 31, 1960	$140,965,965.36
LESS - Payments due in 1961 in current liabilities	3,478,259.27
NET FUNDED DEBT - Payable after 1961	$137,487,706.09

(See notes on following pages)

NOTES ON FUNDED DEBT

1 Equipment serial bonds. Original issue $2,175,000. payable semi-annually $72,000. on June 1 and $73,000. on December 1. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

2 Refunding bond. Original issue $71,418,371.89 payable $500,000. each June 1 and December 1 and final installment of $418,371.89 on December 1,2020. (Issued under Section 7A, Chapter 544, Acts of 1947 as amended.)

The interest payable on this bond is the interest payable by the Boston Metropolitan District on their contra debt and refunding issues.

3 Rapid Transit bond, Original issue $40,219,445.43 payable in 75 installments of $536,259.27 on each November 20. This amount is paid by the State to the Authority each November 20 and a like amount is paid by the Authority to the Boston Metropolitan District on the same date in reduction of principal. (Issued under Section 8A (c), Chapter 544, Acts of 1947 as amended.)

The equivalent of interest on this bond is provided for by the Metropolitan Transit Authority Rapid Transit note, dated August 3, 1949, wherein the Authority promises to pay to the City of Boston on behalf of the District, and in its place and stead, the actual interest on City of Boston Transit debt, less income collected on the City's transit debt sinking funds.

4 Construction bond. Original issue $7,650,000. payable $102,000. annually on November 21 to and including November 21, 1978 and one payment of $4,692,000. on November 25, 1979. The $102,000. annual amount is paid by the State to the Authority each November 20 and a like amount is paid by the Authority to the Boston Metropolitan District on each November 21 in reduction of principal. (Issued under Section 8A (j), Chapter 544, Acts of 1947 as amended.)

The interest payable on this bond is the interest payable on Boston Metropolitan District bonds issued to purchase this bond.

5 Equipment serial bonds. Original issue $403,000. payable semi-annually $13,000. on June 1 and $14,000. on December 1. (Issued under Section 22, Chapter 544, Acts of 1947 as amended)

6 Construction bond. Original issue $1,000,000. dated April 15, 1950 paid March 1, 1951 and renewed for $986,666.67. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.) 1/75th of the principal amount is payable annually ($13,333.33 and 34 cents every third year) on March 1 by the Authority to the Boston Metropolitan District and a like amount is paid by the State to the Authority each November 20.

The interest payable on this bond is the interest payable on Boston Metropolitan District bonds issued to purchase this bond.

7 Construction bond. Original issue $4,500,000. payable $60,000. annually on March 1 to and including March 1, 1980 and one payment of $2,760,000. on March 1, 1981. The $60,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1st and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 8A (j), Chapter 544, Acts of 1947 as amended.)

8 Construction bond. Original issue $825,000, payable $11,000. annually on March 1 to and including March 1, 1980 and one payment of $506,000. on March 1, 1981. The $11,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1st and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)

9 Equipment serial bonds. Original issue $1,074,000. payable annually $108,000. March 1, 1952 to 1955 inclusive, $107,000. March 1, 1956 to 1961 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

10 Equipment serial bonds. Original issue $1,673,000. payable annually, as follows:
$83,000. March 1, 1952 to 1955 inclusive.
$84,000. March 1, 1956 to 1962 inclusive.
$83,000. March 1, 1963, March 1,1966, March 1, 1969.
$84,000. March 1, 1964, 1965, 1967, 1968, 1970 and 1971.
(Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

11 Equipment serial bonds. Original issue $3,817,000. payable annually, as follows:
$128,000. March 1, 1952 to 1955 inclusive.
$127,000. March 1, 1956 to 1962 inclusive.
$128,000. March 1, 1963, 1966, 1969.
$127,000. March 1, 1964, 1965, 1967, 1968.
$127,000. March 1, 1970 to 1981 inclusive.
(Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

12 Construction bond. Original issue $1,650,000. payable $22,000. annually on January 15, to and including January 15, 1981 and one payment of $1,012,000. on January 15, 1982. The $22,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each January 15th and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 8A (j), Chapter 544, Acts of 1947 as amended.)

13 Equipment serial bonds. Original issue $592,000. payable annually $65,000. January 15, 1953 and 1954, and $66,000. January 15, 1955 to 1961 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

14 Construction bond. Original issue $1,125,000. payable $15,000. annually on March 1 to and including March 1, 1982 and one payment of $690,000. on March 1, 1983. The $15,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 8A (j), Chapter 544, Acts of 1947 as amended.)

15 Construction bond. Original issue $2,400,000. payable $32,000. annually on March 1 to and including March 1, 1982 and one payment of $1,472,000. on March 1, 1983. The $32,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)

16 Equipment serial bonds. Original issue $562,000. payable annually $58,000. March 1, 1954, $56,000. March 1, 1955 to 1963 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

17 Equipment serial bonds. Original issue $166,000. payable annually $16,000. March 1, 1954, $15,000. March 1, 1955 to 1964 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

18 Equipment serial bonds. Original issue $1,545,000. payable annually $108,000. March 1, 1954 to 1958, $102,000. March 1, 1959 to 1961, $97,000. March 1, 1962 to 1964, $46,000. March 1. 1965 to 1967, $45,000. March 1, 1968 to 1973 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended. For capital additions or improvements to passenger-carrying rolling stock.)

19 Construction bond. Original issue $750,000. payable $10,000. annually on March 1 to and including March 1, 1984 and one payment of $450,000. on March 1, 1984. The $10,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)

20 Equipment serial bonds. Original issue $98,000. payable annually $8,000. March 1, 1955, $10,000. March 1, 1956 to 1964 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

21 Equipment serial bonds. Original issue $156,000. payable annually $20,000. March 1, 1955, $17,000. March 1, 1956 to 1963 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

22 Equipment serial bonds. Original issue $231,000. payable annually $16,000. March 1, 1956-59-62-65-68-70; $15,000. March 1, 1957-58-60-61-63-64-66-67-69. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

23 Equipment serial bonds. Original issue $1,954,000. payable annually $134,000. September 1, 1956, $130,000. September 1, 1957 to 1970 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

24 Equipment serial bonds. Original issue $2,082,000. payable annually $136,000. September 1, 1957, $139,000. September 1, 1958 to 1971 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

25 Equipment serial bonds. Original issue $3,824,000. payable annually $127,000. March 1, 1958-59-61-63-65-67-69-71-73-75-77-79-81-83-85-87; $128,000. March 1, 1960-62-64-66-68-70-72-74-76-78-80-82-84-86. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

26 Equipment serial bonds. Original issue $3,936,000. payable annually $137,000. March 1, 1959, $131,000. March 1, 1960 to 1988 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

27 Construction bond. Original issue $4,125,000. payable $55,000. annually on July 1 to and including July 1, 1988 and one payment of $2,475,000. on July 1, 1988. The $55,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each July 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)

28 Equipment serial bonds. Original issue $1,347,000. payable annually $87,000. July 1, 1959, $90,000. July 1, 1960 to 1973 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

29 Construction bond. Original issue $5,225,000. payable $69,666.66 and 67 cents every second and third year on February 1 to and including February 1, 1989 and one payment of $3,135,000. on February 1, 1989. The $69,666.66 (and 67 cents every second and third year) annual principal payment is made by the Authority to the Boston Metropolitan District on each February 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)

30 Equipment serial bonds. Original issue $1,227,000. payable annually $81,000. September 15, 1961 to 1963 inclusive and $82,000. September 15, 1964 to 1975 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

31 Equipment serial bonds. Original issue $663,000. payable annually $55,000. September 15, 1961 to 1965 inclusive, $40,000. September 15, 1966 to 1974 inclusive and one payment of $28,000. to be made on September 15, 1975. (Issued under Section 22, Chapter 544, Acts of 1947 as amended. For capital additions or improvements to passenger-carrying rolling stock.)

NOTES ON FUNDED DEBT - Continued

32 Equipment serial bonds, Original issue $113,000. payable annually as follows:
$9,000. September 15, 1961, 1963, 1965, 1967, 1969.
$8,000. September 15, 1962, 1964, 1966, 1968, 1970, 1971, 1973.
$7,000. September 15, 1972.
$5,000. September 15, 1974.
(Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

33 Construction bond. Original issue $1,425,000. payable $19,000. annually, on September 15, 1961 and each September 15, thereafter to and including September 15, 1990 and one payment of $855,000. to be made on September 15, 1990. (Issued under Section 8A (j), Chapter 544, Acts of 1947 as amended.)

1-5-9-10-11-13-16-17-18-20-21-22-23-24-25-26-28-30-31-32 Equipment serial bonds
2 Authority vs. District refinancing August 3, 1949.
3 Subway purchase August 3, 1949 (City of Boston)
4 East Boston Rapid Transit, Subway Alterations and Off-Street Parking Facilities
6 Tremont Subway Addition (Park St. to Scollay Square - preliminary plans) and Alterations
7-12 East Boston Rapid Transit
8 Washington Tunnel Extensions (preliminary plans) and Alterations
14 East Boston Rapid Transit, Off-Street Parking Facilities
15 E.B.R.T. Extension to Revere and Cambridge Subway Extension (preliminary plans)
19 E.B.R.T. Extension to Revere
27 Highland Branch Extension
29 Highland Branch Extension and Prudential Development (preliminary plans)
33 Highland Branch Extension - Alterations

METROPOLITAN TRANSIT AUTHORITY

STATEMENT OF INCOME AND THE COST OF THE SERVICE
YEAR ENDED DECEMBER 31, 1960

Income:			
Revenue from transportation		$34,887,132.21	
Revenue from other operations		1,026,789.95	
Total operating revenue		35,913,922.16	
Non-operating income		120,778.68	
Total income			$36,034,700.84
Operating expenses:			
Way and structures:			
Salaries and wages	$4,712,195.40		
Other	1,542,976.32	6,255,171.72	
Equipment:			
Salaries and wages	2,579,054.00		
Other	1,757,438.75	4,336,492.75	
Power:			
Salaries and wages	1,310,183.50		
Other	2,005,392.03	3,315,575.53	
Conducting transportation:			
Salaries and wages	25,492,151.02		
Other	789,824.41	26,281,975.43	
Traffic:			
Other	42,398.89	42,398.89	
General:			
Salaries and wages	2,577,484.95		
M.T.A. retirement fund	2,184,501.22		
Other	4,710,253.06	9,472,239.23	
Total operating expenses (including allowance of $1,200,000.00 for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned - Note B)			49,703,853.55
Loss before other deductions			13,669,152.71
Other deductions:			
Taxes assignable to transportation operations		1,134,814.40	
Interest on funded debt (Note E)		3,748,556.47	
Payment on funded debt - B.M.D. (Note E)		2,372,687.79	
Cambridge subway rental		383,175.02	
Other deductions		18,659.20	
Total other deductions			7,657,892.88
Loss resulting from operations			21,327,045.59
Profit and loss items:			
Dividend on compensation insurance		200,000.00	
Adjustment of outstanding ticket liability		40,000.00	240,000.00
Loss for the Year (excess of the cost of the service over income)			$21,087,045.59

(See accompanying notes to financial statements)

METROPOLITAN TRANSIT AUTHORITY

OPERATING EXPENSES
YEAR ENDED DECEMBER 31, 1960

Way and structures:	
Superintendence	$653,986.42
Maintenance of roadway and track	1,791,533.09
Removal of snow and ice	288,589.28
Tunnels and subways	133,262.06
Elevated structures and foundations	177,425.76
Bridges, trestles and culverts	35,621.09
Crossings, fences and signs	26,179.09
Signals and interlockers	118,650.06
Communication systems	25,794.69
Miscellaneous way expenses	407,361.02
Maintenance of electric line equipment	677,225.51
Maintenance of buildings, fixtures and grounds	1,298,408.00
Depreciation of way and structures	600,000.00
Dismantling retired way and structures	21,135.65
Total way and structures	$6,255,171.72
Equipment:	
Superintendence	$236,990.44
Maintenance of revenue equipment	2,267,251.43
Maintenance of service equipment	14,129.45
Electric equipment of cars and trackless trolleys	559,632.79
Shop equipment	102,992.36
Shop expenses	838,951.25
Maintenance of automotive and misc. equipment	86,650.67
Depreciation of equipment	228,000.00
Dismantling retired equipment	1,894.36
Total equipment	$4,336,492.75
Power:	
Superintendence	$173,841.43
Maintenance of power plants	426,193.02
Depreciation of power plants	372,000.00
Other power plant operating expenses	1,977,147.56
Gasoline and fuel oil for buses	366,393.52
Total power	$3,315,575.53

OPERATING EXPENSES - Continued
YEAR ENDED DECEMBER 31, 1960

Conducting transportation:	
Superintendence	$4,066,992.54
Passenger car, trainmen and bus operators	13,933,021.02
Miscellaneous car and bus service employees	478,484.33
Miscellaneous car and bus service expenses	196,110.03
Station employees	2,721,751.69
Station expenses	731,063.35
Car house and bus garage employees	2,653,713.46
Car house and bus garage expenses	268,232.56
Operation of signal and interlocking apparatus	679,377.06
Operation of communication systems	29,331.10
Other transportation expenses	523,898.29
Total conducting transportation	$26,281,975.43
Traffic (promotion and advertising)	$42,398.89
General (administrative and other general operating expenses):	
Salaries and expenses of general officers	$99,125.75
Salaries and expenses of general office clerks	1,350,793.42
General office supplies and expenses	268,548.86
Law expenses	108,780.32
Pensions, retirement fund, gratuities, group health and accident, life and hospitalization insurance	3,737,397.50
Miscellaneous general expenses	247,392.96
Injuries and damages and expenses relating thereto	2,149,930.64
Insurance	756,933.09
Stationery and printing	143,451.43
Store expenses	446,252.32
Service garage expenses and supplies	163,632.94
Total general	$9,472,239.23
Total operating expenses	$49,703,853.55

METROPOLITAN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note A-Fixed Assets

The fixed assets acquired from Boston Elevated Railway Company on August 29, 1947 are carried on the books of the Authority at original cost to the Company as shown on its books as of that date. Additions subsequent to August 29, 1947, including the subways, tunnels and other facilities purchased from City of Boston August 3, 1949, are carried at cost to the Authority, the cost of subways, tunnels and facilities purchased from the City of Boston being measured by the amount of the bond issued therefor.

Note B-Reserve for Depreciation

In accordance with the provisions of Section 11 of Chapter 544 of the Acts of 1947 as amended by Section 4 of Chapter 572 of the Acts of 1949, no allowance for depreciation of passenger-carrying rolling stock of the Authority or for obsolescence and losses in respect to such rolling stock after August 2, 1949, is reflected in the accompanying financial statements of the Authority.

On the other hand, as provided by that section (Section 11 of Chapter 544), cost of the service, as reflected in the Statement of Income and the Cost of the Service, includes (1), all sums paid to the Boston Metropolitan District for the year ended December 31, 1960 in reduction or payment of the principal amount of bonds issued by the Authority under Section 7A and Section 22, as amended by Chapter 303, Acts of 1958, as well as (2) such allowances for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned as is contemplated by said Section 11.

The Reserve for Depreciation of Property, and for Obsolescence and Losses in respect to Property Sold, Destroyed or Abandoned, includes the aggregate of all debt retirement sums paid after August 2, 1949 under the provisions mentioned above, as well as allowance for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned, except with respect to passenger-carrying rolling stock after August 2, 1949. The balance ($53,293,618.32) of this account at December 31, 1960 is substantially less than recent surveys have indicated may be required to cover normal depreciation and obsolescence that has accrued on the properties.

Note C-Amortization of Tunnels, Subways and Other Facilites

The credits arising from the reimbursement to the Authority by the Commonwealth of Massachusetts for the principal payments made on bonds issued under paragraphs (c) and (j) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section 6 of Chapter 649 of the Acts of 1949 as amended (discussed in Note E) are considered to provide for amortization of Tunnels, Subways and Other Facilities, and consequently no provision for depreciation thereof is included in the allowance made by the Trustees in the year 1960 for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned.

Note D-Advance Payment Account of Assessable Deficit

Section 13A of Chapter 544 of the Acts of 1947 which was inserted in said Chapter 544 by Chapter 409 of the Acts of 1954 provides that if during any calendar year the Trustees, in their opinion, have not sufficient cash to make the payments required in the course of their management and operation of the transportation system and other properties under their control, the Trustees may, from time to time during such year, certify to the State Treasurer an amount, which together with all amounts previously paid in such year to the Authority under this section, shall not exceed the amount by which the income of the Authority has failed to meet the cost of the service as estimated by the Trustees for that portion of such year which has expired up to the date of such certification; and that the Commonwealth shall thereupon pay over to the Authority the amount so certified; and that such payments shall be treated as payments on account of the deficiency as of the last day of said calendar year.

After certifications by the Trustees, the State Treasurer made three advance payments to the Authority during the year 1960; in May $6,000,000., in August $4,500,000. and in December $7,000,000.

Note E-Funded Debt

Section 7 of Chapter 544 of the Acts of 1947 as amended, provided that bonds of the Authority and bonds of the Boston Elevated Railway Company assumed by the Authority should be cancelled at their respective maturity dates, or prior thereto, to the extent that bonds of the Boston Metropolitan District issued to provide funds for the purchase thereof had been retired, or their retirement provided for, through interest payments made by the Company or by the Authority in excess of the amounts required to pay the interest on the District's bonds. At August 3, 1949, $26,513,545.11 of such bonds of the District had been retired, or their retirement provided for.

Pursuant to refinancing provisions of Section 7A of Chapter 544 of the Acts of 1947 as amended, bonds of the Authority (other than bonds issued under Section 22 and Section 8A) and bonds of the Boston Elevated Railway Company assumed by the Authority, with an aggregate principal amount of $97,931,917. were cancelled August 3, 1949 and a new bond for $71,418,371.89 issued to the Boston Metropolitan District. The principal amount of this new bond was equal to the difference between the principal amount of the bonds cancelled and the $26,513,545.11 referred to in the preceding paragraph. The new bond is payable in 142 installments of $500,000. each on December 1 and June 1. The first installment was paid on December 1, 1949, and the final installment, $418,371.89, is payable on December 1, 2020 (see notes to Statement of Funded Debt attached). Interest is payable on the new bond in amounts equal to the interest on bonds of the Boston Metropolitan District which may be outstanding from time to time.

Payments in reduction of the principal of the new bond of the Authority issued under said Section 7A ($1,000,000.) and in payment of bonds of the Authority issued under Section 22 of said Chapter 544 ($1,389,000. reduced by $16,312.21 representing unexpended balance in special account of revenue equipment applied in accordance with provisions of Chapter 303 of the Acts of 1958) were included in the cost of the service for the year ended December 31, 1960 as provided in Section 11 of said Chapter 544.

Note E--Funded Debt (Cont.)

On August 3, 1949, the Authority acquired the subways and other transit properties of the City of Boston under the provisions of Section 8A inserted in Chapter 544 of the Acts of 1947 by Chapter 572 of the Acts of 1949. Reference should be made to said Section 8A for the details of the transaction whereby the Authority on August 3, 1949 issued to the Boston Metropolitan District its bond for $40,219,445.43 and its note (undertaking to make the payments required of the District on its note to the City) in exchange for District bonds payable to the City of Boston of a like principal amount and a note of the District by which the District undertook, among other things, to pay interest on the City's outstanding transit indebtedness to the extent that such interest exceeded the income of the City's sinking funds available to pay the same, which bonds and note of the District were delivered by the Authority to the City to effect the transfer to the Authority of title to the City's subway and transit properties.

In accordance with the provisions of paragraph (1) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section 7 of Chapter 649 of the Acts of 1949 as amended, the Commonwealth of Massachusetts is required to pay to the Authority on November 20 of each year after 1949 the amounts previously certified by the Trustees of the Authority as payable by the Authority during such year in reduction of the principal amount of its bonds issued under paragraphs (c) and (j) of Section 8A of said Chapter 544 and Section 6 of said Chapter 649 (for subways, tunnels and other facilities). The amount certified to the Treasurer by the Trustees of the Authority is assessed on the cities and towns constituting the Authority. On November 20, 1960, the Authority received from the Commonwealth of Massachusetts the amount of $926,259.26 which had been certified by the Authority as payable during the year 1960.

In the Statement of Income and the Cost of the Service for the year ended December 31, 1960, the caption "Interest on Funded Debt" includes: (1) interest accrued during the year on the Authority's bonds issued under Sections 7A, 8A (c), 8A (j) and 22 of Chapter 544 and Section 6 of Chapter 649; and (2) payments actually made during the year to the City of Boston in accordance with the Authority's note to the District issued under Section 8A (c) of said Chapter 544.

Note F--Commitments

At December 31, 1960 the Authority had outstanding firm commitments, totalling approximately $389,000.00 for other additions and improvements to the road and equipment properties; for the construction of off-street parking facilities and for the addition to and alterations of rapid transit facilities.

Of this amount, approximately $222,000.00 will be paid from special deposits established from bond issues made under Section 8A of Chapter 544 of the Acts of 1947 as amended, and Section 6 of Chapter 649 of the Acts of 1949 as amended.